

# CO-OPERATIVE FEDERATION OF VICTORIA LTD

## MINUTES OF BOARD MEETING

held at Victorian Producers' Co-operative Co., Brooklyn, on

THURSDAY 20 FEBRUARY 1997

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**1/97 PRESENT:**

**Officers**

J. Gill	Chairman
D. Griffiths	
B. Harford	
V. Hughes	
G. Johnston	
D. McMullan	
A. Gill	Secretary

**Guests**

G. Andrews, L. Pearcey

The chairman welcomed the guests.

**2/97 APOLOGIES:**

V. Ogier

***Resolved***

*"That the apologies be accepted."*

**3/97 MINUTES PREVIOUS MEETING:**

***Resolved***

*"The minutes of the board meeting held on 12 December, 1996 be confirmed as a true and correct record of that meeting and be duly signed by the chairman."*

**4/97 BUSINESS ARISING FROM MINUTES:**

**Co-operative Opportunities Project**

Draft discussion papers 3 and 4 on health and forestry co-operatives respectively were previously distributed to directors. Vern Hughes invited directors to review the draft papers and to convey any comments to him by 28 February.

Vern Hughes and David Griffiths put separate resolutions to the meeting.

***Resolved***

- 1. That paper no 3 on health care, as amended, be approved for publication, and that 200 copies of the paper be printed.*
- 2. That paper no 4 on farm forestry, as amended, be approved for publication, and that 120 copies of the paper be printed.*

3. *That the secretary write immediately to the Victorian Minister for Natural Resources and Environment, and to Mr John Houlihan, Executive Officer of the DNRE Private Forestry Task Force, stating the desire of the federation to be actively involved in the development of forestry co-operatives in Victoria and its willingness to play a part in the Government's forthcoming private forestry strategy.*
4. *That the Federation authorises the establishment of a Task Group on Co-operative Health Insurance to explore, in conjunction with John Luckman of YCW Co-op, possibilities in this area. Vern Hughes, as Co-ordinator of COP, is authorised to convene an initial/meetings, reporting to the next Board meeting on progress.*
5. *That out of pocket expense incurred by the Co-ordinator be reimbursed up to an amount of \$100.*
6. *That 2 further COP papers be published by mid-year: paper no 5 on petrol purchasing/fuel co-ops and consumer-run service stations; paper no 6 on local community consumer purchasing co-ops (electricity, telecommunications, trade services, motor vehicle services, pharmacy items, funeral services, insurances etc).*
7. *That a seminar on new opportunities for co-operatives be held during 1997, at a date to be negotiated, and that \$300 be allocated."*

#### **Resolved**

*"That a progress report be prepared for the next board meeting on the Co-operatives Opportunities Project which details inter alia:*

1. *the number of discussion papers printed;*
2. *the distribution of the papers;*
3. *responses to the discussion papers and any follow-up action;*
4. *media coverage for the discussion papers;*
5. *any known outcomes;*
6. *lessons for future discussion papers;*
7. *future discussion papers;*
8. *the co-operative opportunities workshop;*
9. *any other matters."*

#### **Electric Co-operative Taskforce**

David Griffiths gave a report on the work of the taskforce.

#### **Strategy working party**

##### **Working party report**

David Griffiths gave a report on the activities of the Strategy Working Party. A Business Strategy Concept paper and recommendations from the working party were previously distributed to directors.

**Resolved**

1. *That a Business Advisory Committee be established as a standing committee of the board.*
2. *That the membership of the Business Advisory Committee comprise David Griffiths (Convenor), Vern Hughes, Val Ogier and Tony Gill.*
3. *That reports from the Business Advisory Committee will be a standing item on the Board's agenda.*
4. *That the telephone discount scheme be discontinued and that Spectrum Global and participating co-operatives be advised immediately.*
5. *That the Business Advisory Committee be authorised to conduct a survey of members.*
6. *That the Business Strategic Concept statement be endorsed in principle and the Business Advisory Committee be requested to develop a Business Strategy statement for consideration by the Board at its meeting on 17 April 1997."*

Protection of ex-directors

The secretary spoke of new product developed by Stone & Partners of Lismore NSW to protect to ex-directors of co-operatives. A paper outlining the product and recommendations were previously distributed to directors. The secretary explained that the product included an insurance component, which could financially benefit the Federation in the form of commissions earned from members either taking out or extending their current directors' and officers liability insurance.

**Resolved**

*"That the secretary mail Stone & Partners' promotional brochure to members with a covering letter alerting them to the issue."*

*"That the secretary inform Wickett Insurance Broking that the Federation does not want to receive a commission from any insurance indemnifying ex-directors that is written as a result of the Stone & Partners' product."*

*"That the secretary advise Corrs Chambers Westgarth that the Federation is distributing Stone & Partners' product to members."*

Image of co-operatives

The secretary reported that due to the time put into defeating the federal government's tax measure on co-operatives late last year, the Co-operative Federation of Queensland has yet to proceed with a proposal to promote the image of co-operatives.

5/97

**CORRESPONDENCE:**

Incoming and outgoing correspondence was tabled.

The secretary advised that Ken Chester has submitted his resignation as a director of the Federation and, having given the prescribed one month's notice, the board can deal with his resignation.

Dan McMullan also tabled his letter of resignation as a director of the board. The secretary advised that the board could not consider Mr McMullan resignation at this board meeting.

***Resolved***

*"That the board accepts the resignation of Ken Chester with regret and asked the secretary to convey the board's appreciation for his contribution to the co-operative movement over many years."*

*"That incoming correspondence be received and outgoing correspondence be approved."*

**6/97 MEMBERSHIP:**

**Applicants for membership**

The secretary advised that one application for membership has been received since the last board meeting.

***Resolved***

*"That the following co-operative be approved for membership of the Federation and the accompanying shares allotted:*

<b><i>Name of applicant</i></b>	<b><i>Shares to be allotted</i></b>
<i>Terang &amp; District Co-operative Society Ltd</i>	<i>496 to 500."</i>

**Member delegates**

***Resolved***

*"That the following delegates be accepted pursuant to the rules:*

<b><i>Name of Nominee</i></b>	<b><i>Member Co-operative</i></b>
<i>Mr. Rodney Bell</i>	<i>Terang &amp; District Co-operative Society Ltd</i>
<i>Mr. Henk Blumink</i>	<i>Geelong Radio Cabs Co-operative Ltd."</i>

**Cancelled members**

The secretary reported that ex-members have been advised of the cancellation of their shares, and were given 3 options for dealing with their share monies. The secretary advised that, to date, one ex-member, Terang & District Co-operative Society, has reapplied for membership and another, Ballarat Taxis Co-operative, will put a proposal to rejoin the Federation to a meeting of their members in April.

**7/97 FINANCIAL REPORT:**

**Profit and loss statement etc**

The year to date and January profit & loss statement, balance sheet and bank balance at 31 January, 1997 were received.

***Resolved***

*"That the financial reports be adopted."*

**Member subscriptions**

The secretary reported that 40 members have paid \$23,054 in annual subscriptions to 31 January, 1997, and that he expected the annual budget to be achieved. The secretary further reported that a reminder was sent to those members who have not paid their annual subscription.

**Accounts payable**

The secretary tabled a list of accounts for December 1996/January 1997 for payment.

***Resolved***

*"That the accounts as appended be approved for payment."*

**Term deposits**

The secretary advised that after seeking advice from the chairman, he deposited the government grant of \$15,000 in a 180 day term deposit at the Commonwealth Bank in Daylesford at an interest rate of 5.65%.

***Resolved***

*"The board endorses the secretary's action of depositing the grant funds in a Commonwealth Bank term deposit for a term of \$180 days."*

**Budget for expenditure of grant funds**

The secretary tabled a budget for the expenditure of grant funds. The board asked the secretary for a statement of grant funds received and expended to be presented to the next meeting.

***Resolved***

*"That the budget for the expenditure of grant funds as presented be approved."*

**8/97 STATE GOVERNMENT REPORT:****Co-operatives legislation**

The secretary reported that the Co-operatives Act 1996 received royal assent on 23 December, 1996. The secretary advised that he has reviewed 3 drafts of model rules produced the Office of Fair Trading, with the 4th draft previously distributed to directors for comment. The secretary further advised that draft regulations are nearing completion. The secretary asked directors for any comments on the model rules before 28 February.

**Promoting the new act**

The secretary tabled a proposal to provide members and certain professional bodies information on the Co-operatives Act 1996 and to assist members update their rules to conform with the new act.

Directors discussed the issue of whether non members should have access to the information on the new act.

**Promoting the new act (cont)**

***Resolved***

*"That the proposal for the provision of information on the Co-operatives Act 1996 be endorsed, and for the Business Advisory Committee to consider the issue of non members receiving information on the act."*

**Policies in support of co-operatives**

The secretary reported that the ALP's Economic Policy Committee has contacted the Federation for ideas on policies that support co-operatives. The secretary highlighted the need to have a bipartisan approach to co-operative policies and suggested that the Federation investigate appropriate policies for the further development of co-operatives. David Griffiths volunteered to start the process.

***Resolved***

*"That David Griffiths prepare a framework for policy development."*

**9/97 SECRETARY'S REPORT:**

**Tasks performed December/January**

The secretary gave a summary of his activities over December/January.

**Co-operative curriculum in schools**

The secretary reported that he has been contacted by the Office of Training and Further Education about industry training boards, and that he has contacted the Chief Executives of relevant boards to establish their interest in meeting with the Federation.

**Co-operatives Council of Australia**

The secretary reported that the next Council meeting could be held in April in either Queensland or Western Australia. The board asked the secretary to offer Melbourne for the next meeting of the Council.

**10/97 GENERAL BUSINESS:**

**YCW Co-op and Waverley Trading Co-op - active membership**

David Griffiths, who asked for the issue of the effect of active membership on the two members to be included in the agenda for the meeting, advised that the concern of the members has been resolved.

**11/97 NEXT MEETING:**

***Resolved***

*"That the next ordinary board meeting be held at VPC Wool Store, Brooklyn on Thursday 17 April, 1997 commencing at 10.30 am."*

**12/97 CLOSE:**

The meeting closed at 1.00 pm.